

## Message Text

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ACTION AID-59

INFO OCT-01 EUR-25 ISO-00 IGA-02 EB-11 OMB-01 TRSE-00

AGR-20 L-03 SS-15 NSC-10 CIAE-00 INR-10 NSAE-00

RSC-01 PM-07 DODE-00 PRS-01 SAJ-01 DRC-01 /168 W

----- 032887

R 070940Z SEP 73

FM AMEMBASSY VALLETTA

TO SECSTATE WASHDC 4727

C O N F I D E N T I A L VALLETTA 1811

E.O. 11652: GDS

TAGS: PFOR, MT

SUBJ: PL-480 TITLE II CRS PROGRAM

REF: STATE 168336

1. ALTHOUGH THE REFTEL INSTRUCTION TO INFORM GOM OF TERMINATION PL480 TITLE II PROGRAM AT END OF FY 1974 WAS NOT TOTAL SURPRISE, I BELIEVE THIS PROBLEM DESERVES A FURTHER REVIEW BEFORE TAKING FINAL STEP WITH GOM. WHILE RECOGNIZING ON ONE HAND THE DIFFICULT SUPPLY SITUATION, AND ON THE OTHER HAND MALTA'S PER CAPITA GNP IS WELL ABOVE THAT OF TYPICAL DEVELOPING NATIONS, THERE ARE NEVERTHELESS SOUND ARGUMENTS FOR CONTINUING THE PROGRAM.

2. FIRST AMONG THESE IS FACT THAT AT LEAST IN RECENT YEARS DECISION TO CONTINUE PROGRAM HAS BEEN ESSENTIALLY POLITICAL RATHER ECONOMIC/SOCIAL. THIS ELEMENT WAS HIGHLIGHTED BY 1972 DECISION AT HIGHEST LEVEL USG TO INCLUDE INCREASE IN FY 1973 PROGRAM AS PART OF ECONOMIC ASSISTANCE PACKAGE WHICH DERIVED FROM PRESIDENTIAL ENVOY ELLSWORTH'S VISIT TO MALTA IN HEAT OF BASE NEGOTIATIONS. IMPORTANCE OF THIS PART OF PACKAGE TO MINTOFF WAS EXPLICIT IN HIS REACTION WHEN I PRESENTED PACKAGE

LAST YEAR. (NATIONALIST OPPOSITION LEADERS HAVE ALSO ON NUMEROUS OCCASION MADE CLEAR THEIR REACTION TO PROGRAM.)

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3. POLITICAL NATURE OF PROGRAM IS OF COURSE NOT LOST ON PRIME MINISTER. THE OTHER SIDE OF THE COIN IS THAT A NOTICE TO TERMINATE WOULD ALSO BE INTERPRETED BY MINTOFF AS A POLITICAL ACT REFLECTING USG VIEW OF MALTA LABOR GOVERNMENT.

4. MINTOFF WOULD ALSO RECALL THAT ALTHOUGH INCREASE WAS IDENTIFIED AS ON "ONE-TIME" BASIS, IT WAS IN CONTEXT OF "OUR ANNUAL REPEAT ANNUAL PL-480 TITLE II ASSISTANCE." (STATE 128890, JULY 17, 1972.)

5. WHILE I CANNOT ASSERT THAT TERMINATION OF PROGRAM WOULD LEAD MINTOFF TO CALL INTO QUESTION THE CONTINUATION OF THE UK/NATO-MALTA BASE AGREEMENT, I WOULD EXPECT A VERY SERIOUS REACTION FROM HIM THAT WOULD HAVE DAMAGING EFFECTS AT LEAST ON US-MALTESE RELATIONS AND POSSIBLY NATO-MALTESE AS WELL. (MINTOFF WILL BY OCTOBER 1 ALSO BE GETTING PRESUMABLY UNHAPPY NEWS ABOUT NEXT INSTALLMENT OF SPECIAL PAYMENTS.) SHOULD HE CHOOSE TO MAKE THIS A MAJOR ISSUE, OUR ACTION WOULD NOT SIT WELL WITH THOSE ALLIES WHO ARE DILIGENTLY DOING THEIR PART. (ITALY AND FRG IN PARTICULAR ARE REGULARLY PROVIDING ADDITIONAL ASSISTANCE OF VARIOUS TYPES BEYOND 1972 COMMITMENTS.)

6. GIVEN THE VERY MODEST SIZE OF OUR PROGRAM, I DON'T THINK TERMINATION IS WORTH THE RISK. I WOULD NOT ARGUE TO MAINTAIN THE 1972 INCREASE, BUT MAINTAINING A COST LEVEL OF ABOUT 190,000 DOLLARS WOULD BE A SMALL BURDEN ON OUR RESOURCES COMPARED TO THE BENEFITS RECEIVED.

7. AS A FOOTNOTE, I AM SATISFIED THAT THIS IS AN EXTREMELY WELL-ADMINISTERED PROGRAM PROVIDING SUPPLEMENTARY FOOD TO PERSONS TRULY IN NEED. WHILE AT ONE TIME WE WERE AIMING AT A TOTAL RECIPIENT FIGURE OF OVER 70,000, THIS IS IN FACT DOWN AROUND 46,000 AND COULD BE SQUEEZED SOMEWHAT BELOW. THE SOURCE OF THE FOOD IS CLEARLY IDENTIFIED, PUBLICITY IS ADEQUATE, AND THE MALTESE IN GENERAL ARE WELL AWARE OF THE PROGRAM. TERMINATION OF THIS HUMANITARIAN ASSISTANCE WOULD BECOME WIDELY KNOWN TO THE PERPLEXITY OF NOT ONLY THE RECIPIENTS.

8. IN SUMMARY, I STRONGLY URGE THAT TERMINATION DECISION BE RECONSIDERED AND REVERSED. I RECOMMEND THAT THE PROGRAM BE CONTINUED AT THE \$190,000 LEVEL, EVEN IF THAT MEANS A LOWER

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VOLUME OF FOOD.  
GETZ

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NNN

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